

STATE OF NORTH CAROLINA

IN THE GENERAL COURT OF JUSTICE  
SUPERIOR COURT DIVISION

WAKE COUNTY

2014 OCT -9 AM 11:1 FILE NO.: 14 CVS 13510

THE NORTH CAROLINA STATE BAR,

Petitioner

v.

WILLIAM ISAAC DIGGS, Attorney,

Respondent

TEMPORARY RESTRAINING  
ORDER

THIS MATTER came on to be heard and was heard by the undersigned Judge of Superior Court of Wake County pursuant to a Motion for Temporary Restraining Order and Petition for Preliminary Injunction filed by the North Carolina State Bar. Petitioner, the North Carolina State Bar, was represented by Jennifer A. Porter. Respondent, William Isaac Diggs, did not appear and was not represented. Based upon the Motion and the affidavit attached thereto, the Court makes the following:

10/9/2014  
scj

FINDINGS OF FACT

1. Petitioner, the North Carolina State Bar ("State Bar"), is a state agency duly organized under the laws of North Carolina and is the proper party to bring this proceeding under the authority granted it in Chapter 84 of the General Statutes of North Carolina, and the Rules and Regulations of the North Carolina State Bar (Chapter 1 of Title 27 of the North Carolina Administrative Code).

2. Respondent, William Isaac Diggs ("Diggs"), was licensed to practice law in North Carolina in 1980. Diggs is also licensed to practice law in South Carolina.

3. The State Bar's membership database shows the following address for Diggs: 1700 Oak Street, Suite D, Myrtle Beach, SC 29577. It is believed, however, that this may no longer be a good address for him, and that the following is a good address for Respondent: 1700 Landing Road, Myrtle Beach, SC 29577.

4. In August 2009, Diggs represented a wrongful death claimant. Diggs received settlement proceeds that were to go to the decedent's two minor children. Diggs indicates he held \$56,670.11 in trust for each child (totaling \$113,340.22).

5. In 2011, Diggs represented a minor injured in an automobile accident. Diggs indicates he held \$50,871.00 in trust for this minor.

6. Over time Diggs used all of these funds from both cases to cover his office overhead expenses.

7. It appears to the Court that the above cases occurred in South Carolina.

8. On September 23, 2014, the Supreme Court of South Carolina issued an order placing Respondent on interim suspension in South Carolina and enjoining Respondent from "taking any action regarding any trust, escrow, operating, and any other law office account(s)...."

9. A need for prompt action exists to ensure that further entrusted funds are not misappropriated or mishandled in the future.

Based upon the foregoing findings, the Court makes the following:

#### CONCLUSIONS OF LAW

1. This Court has personal jurisdiction over Respondent and jurisdiction over the subject matter. This matter is properly before the Wake County Superior Court pursuant to N.C. Gen. Stat. § 84-28(f).

2. Diggs misappropriated entrusted funds from three minors totaling over \$150,000.00. Diggs' conduct is in violation of the North Carolina State Bar Rules of Professional Conduct and constitutes grounds for discipline under N.C. Gen. Stat. § 84-28(b).

3. Prompt action, pursuant to N.C. Gen. Stat. § 84-28(f), is necessary to preserve the status quo and to ensure that no further entrusted or fiduciary funds are misappropriated or mishandled.

4. Diggs should be enjoined from accepting any further funds from or on behalf of clients or other individuals in a fiduciary capacity, from withdrawing funds from and/or writing checks against any account in which client or fiduciary funds have been deposited, and from directing any employee or agent to withdraw funds from and/or draw a check on any account in which client or fiduciary funds have been deposited, except as expressly authorized by this order.

5. To assist the State Bar's analysis of his trust accounts, Diggs should provide the State Bar with records of all accounts in which client or fiduciary funds have been deposited. Diggs should provide the North Carolina State Bar with all records of all accounts in which mishandled fiduciary funds were deposited.

6. Diggs should not be permitted to serve in any fiduciary capacity, including trustee, escrow agent, settlement agent, personal representative, executor or attorney-in-fact until further order of this Court.

THEREFORE, IT IS HEREBY ORDERED:

1. William Isaac Diggs is enjoined from accepting any further funds from or on behalf of clients or other individuals in a fiduciary capacity; writing checks against or otherwise disbursing or withdrawing funds from any account in which client or fiduciary funds have been deposited; and/or directing any employee or agent to draw a check on or otherwise disburse or withdraw funds from any account in which client or fiduciary funds have been deposited until permitted by subsequent orders of the Court.

2. This matter is scheduled for a hearing on the Petitioner's Petition for a Preliminary Injunction on the 20 day of October, 2014 at 10:00 AM in the Wake County Courthouse, Courtroom 10C in Raleigh, North Carolina.

3. William Isaac Diggs or any other person having custody or control of records relating to any account into which client or fiduciary funds have been deposited shall immediately produce to the North Carolina State Bar at its location in Raleigh, North Carolina for inspection and copying all of Diggs' records for any account into which any trust or fiduciary funds have been deposited, including but not limited to bank statements, canceled checks, deposit slips, deposited items, debit memos, client ledger sheets and any other records relating to the receipt and disbursement of client or fiduciary funds, at the State Bar's request.

4. If Diggs does not have possession of the above described records or any other of the minimum records required to be maintained regarding trust and fiduciary funds pursuant to Rule 1.15-3 of the Rules of Professional Conduct, he shall direct the bank(s) where his trust account(s) are maintained, within 10 days of the date of this order, to copy and transmit any such missing records directly to the North Carolina State Bar, at Diggs' expense.

5. Diggs, or any other person having custody or control over records relating to individuals for whom Diggs has provided legal services, shall produce to the North Carolina State Bar at its location in Raleigh, North Carolina for inspection and copying all records and documents relating any individuals or entities for whom Diggs has provided legal or fiduciary services, including but not limited to client files, client ledgers, disbursement summaries, settlement statements, HUD-1 Settlement Statements, billing statements, memoranda and receipts, at the State Bar's request. Current client files shall be produced within 24 hours of demand by the State Bar and closed client files shall be produced within 3 days of demand by the State Bar.

6. Diggs shall not serve in any fiduciary capacity, including trustee, escrow agent, settlement agent, personal representative, executor or attorney-in-fact until further order of this Court.

7. This Temporary Restraining Order shall remain in effect until the 20  
day of OCTOBER, 2014 unless extended by further orders of this Court.

THIS the 9<sup>th</sup> day of OCTOBER, 2014 at 11:15 A.M.

Howard S. C.  
Superior Court Judge, Presiding

STATE OF NORTH CAROLINA

IN THE GENERAL COURT OF JUSTICE

WAKE COUNTY

2014 OCT -9 AM 11:21

SUPERIOR COURT DIVISION

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THE NORTH CAROLINA STATE BAR,

Petitioner

v.

WILLIAM ISAAC DIGGS, Attorney,

Respondent

CERTIFICATE OF SERVICE

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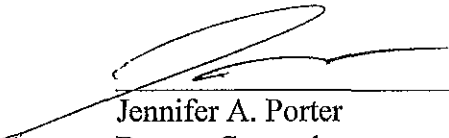
This is to certify that the Temporary Restraining Order filed on October 9, 2014 was served on Respondent by depositing it on October 9, 2014 in the United States Mail, postage prepaid, addressed to Respondent as follows:

William Isaac Diggs  
1700 Landing Road  
Myrtle Beach, SC 29577

This Certificate of Service is hereby served upon Respondent by depositing it on this date in the United States Mail, postage prepaid, addressed to Respondent at the address listed above.

This the 9<sup>th</sup> day of October 2014,

Respectfully submitted,



Jennifer A. Porter  
Deputy Counsel  
The North Carolina State Bar  
P.O. Box 25908  
Raleigh, NC 27611  
Attorney for Petitioner